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(b) if so, why it is not implemented; and

(c) what is the amount spent on this scheme?

THE HON. SRI A. B. SHETTY :—" (a) The investigation of water-supply scheme for the Penukonda Panchayat was sanctioned in July 1949.

" (b) The investigation has been completed and the question of sanctioning the preparation of detailed plans and estimates is now under consideration. The execution of the scheme will be taken up after the detailed plans and estimates are prepared and sanctioned by the Government.

" (c) An expenditure of Rs. 2,618 exclusive of centage charges has been incurred on the investigation of the scheme."

Rates charged by licensees for distributing electricity.

* 892 Q.—SRI M. NARAYANA KURUP : Will the Hon. the Minister for Public Works be pleased to state—

(a) whether all the licensees for distributing electricity are charging uniform rate; and

(b) if the rate is not uniform, the different rates charged by each and the reasons for the same?

THE HON. SRI N. RANGA REDDI :—" (a) The answer is in the negative.

" (b) Each licensee has got a graded system of rates for power supplied for different purposes and information regarding these rates is available in the respective official booklets published by the licensees.

" The rates differ for the following reasons :—

(1) The rates at which the licensees purchase energy for distribution, from the Government Electricity Department vary with the quantum of offtake, load factor, etc., as also with each system both thermal and Hydro-Electric, etc., from which the supply is made.

(2) An undertaking with a purely urban load has to put up only short lines and each line feeds a number of consumers and so fetches the maximum revenue for the minimum capital expenditure. So, it can afford to sell energy at lower rates than another undertaking whose consumers are both rural and urban and which has to put up long lines to feed the scattered rural loads and so has an income which is comparatively small compared to the capital cost of the works.

(3) Under the Electricity (Supply) Act, 1948, the licensee is allowed a certain reasonable return on his capital investment and if the clear profit of the licensee for any year exceeds the said reasonable return, he has to reduce his rates and if the said clear profit falls short of the reasonable returns, he can increase his rates, without reference to Government."